Although because of the growth in business of GIC the number of claims outstanding has increased, there has been significant improvement in the ratio of claims settled to the number of claims intimated. As against a ratio of 57.5 per cent in 1980, the claims settlement ratio has improved to 66.9 per cent in 1985. Government had appointed a Committee to make a detailed study of the problems and procedures relating to settlement of claims and the Committee has since submitted its recommendations on the basis of which GIC has taken in hand the task of simplification and standardisation of procedures relating to settlement.

(c) The contract of insurance does not stipulate any time limit for settlement of claims, the rationale being that the insurance company's liability and its quantum has to be determined on the basis of facts and circumstances of each individual case. Settlement of a general insurance claim involves several procedural requirements. Claims above Rs. 20,000 are required to be assessed by licensed surveyors as per the provisions of the Insurance Act. The time taken by the surveyor in his assessment varies according to the conditions involved in each case as well as the degree of co-operation extended by the claimant in furnishing the required information and documents. After the receipt of the surveyor's report and completion of other formalities by the claimant, the insurance companies seek to settle the claims within a reasonable time. However, because of the practical problems involved the general insurance industry has not found it possible to accept the concept of payment of interest for delay in settlement of claims either by convention or by contract.

Sale of prized property by the Bank of India in Bombay

1277. DR. BAPU KALDATE: Will the Minister of FINANCE be pleased to state:

(a) whether the authorities of the Bank of India, Bombay have allowed sale of a prized property at Charmichael Road, Bombay at a quarter of its market value;

(b) if so, what are the details thereof;

(c) whether the Reserve Bank of India who had uncovered the sale have objected to this sale; and

(d) whether this property was mortgaged by M/s. Kamani Properties, Bombay?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) Bank of India has reported that it had received a request from one of its constituents for sale of a flat located in Charmichael Road in Bombay which was mortgaged to the Bank. According to the Bank, after taking into account the various legal deficiencies from which the mortgage and the claim of the bank suffered, the bank agreed to the constituent's request. Further, according to the bank the buyer of the flat had agreed to purchase the said flat on "as is where is" basis with all encumbrances and disabilities. The entire sale proceeds were credited to the bank for meeting part of the dues of the Bank from the constituent. Reserve Bank of India's permission was not required in the matter. However, the possibility of any under-valuation in the property transaction between the two private parties is being examined further.

(d) In accordance with the provisions of the Statute governing the nationalised banks and practices and usages customery among bankers the details of individual constituent cannot be divulged.

Funds from Public Sector Banks taken by Bombay-based Group of Companies

1278. DR. BAPU KALDATE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that several Bombay-based group of companies have secured debentures and shares with funds borrowed from public sector banks; and

(b) if so, what are the names of the groups of companies who have taken loans/advances from the public sector banks amounting to over Rs. 5 crores?